



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 29, 2013

CERTIFIED RETURN RECEIPT
7010 2780 0002 7254 0708

Michael Terry
Anasazi Gold Reserves
c/o North American Exploration
447 North 300 West, Suite 3
Kaysville, Utah 84037

Eric Flippo
Cornerstone Industries, Inc.
117 Bernal Road #70-310
San Jose, California 95119

Re: Denial of Permit Transfer, Cornerstone Industries, Inc (Transferee), Anasazi Gold Reserves, Inc. (Transferor), Highland Mist Mine, S/021/0035, Iron County, Utah.

Dear Messrs. Terry and Flippo:

The Division of Oil, Gas and Mining denies the transfer of the referenced Notice of Intention to Commence Small Mining Operations (Notice) from Anasazi Gold Reserves, Inc., to Cornerstone Industries, Inc., because the Division has yet to receive a full reclamation surety in an acceptable form and amount. The Notice, therefore, will remain in the name of Anasazi Gold Reserves, Inc.

The transfer application was originally received April 13, 2012. The transfer application is complete with the exception of a portion of the reclamation surety (\$14,000.00) which is currently in the form of a letter of credit issued by Central Bank for Anasazi Gold Reserves, Inc. This portion of the surety needs to be replaced with a surety in the name of Cornerstone Industries, Inc.

The balance of the surety, totaling \$45,200.00, is in the form of two cash accounts, and the Division has received correspondence authorizing the names on these accounts to be changed to Cornerstone Industries, Inc.

As you are aware, the Division has held numerous meetings and telephone conversations concerning this transfer, but the Division has not received an acceptable surety.



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Michael Terry and Eric Flippo

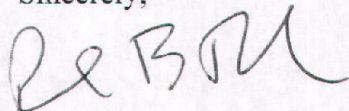
S/021/0035

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You may re-apply for the permit transfer at any time, but until the application is approved, only Anasazi Gold Reserves or its agents have approval from the Division to mine this site. Since the Division did not receive the permit fee for 2013 (\$150.00), no mining, including removal of mined material, is authorized. In addition, the civil penalty for cessation order MC-2012-17-06 in the amount of \$3520.00 has yet to be paid.

Please contact Lynn Kunzler at 801-538-5310 or me at 801-538-5261 if you have questions concerning this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: lk: eb

cc: Will Stokes, SITLA

Jay Gatten, (Agent, Anasazi Gold Reserves)

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